

STATEMENT OF PURPOSE

RS22980

This is a fiscal year 2014 supplemental appropriation to the Department of Health and Welfare that adjusts funding for the following programs: Child Welfare, Foster and Assistance Payments, Enhanced Medicaid Plan, State Hospital South, Physical Health Services, Service Integration, and Self-Reliance Operations.

The bill transfers \$1,399,100 of federal fund appropriation in the Child Welfare program into the Foster and Assistance Payments Program and transfers a like amount of General Fund appropriation from the Foster and Assistance Payments program into the Child Welfare program. This transfer is the department's attempt to address audit findings that date back to 2009 over the use of Temporary Assistance for Needy Families (TANF) funds.

The bill increases the dedicated fund appropriation due to additional receipts for the Enhanced Medicaid Plan Program by \$11,516,200, returns \$2,022,900 to the General Fund, and reduces the federal appropriation by \$9,493,300 for the current fiscal year.

The bill increases the ongoing appropriation for State Hospital South by \$28,100 in federal fund personnel costs, and increases the appropriation for the hospital by \$758,600 on a one-time basis in dedicated receipts. This increase is a result of improved billing practices with Medicaid and Medicare patients at the hospital and the increased appropriation will help address facility issues related to patient safety.

The bill provides three adjustments for the Physical Health Services Program: 1) a one-time General Fund appropriation for \$546,000 along with intent language to cover the costs of TRICARE vaccinations; 2) increases the appropriation for the Immunization Dedicated Vaccine Fund by \$1,150,000 one-time, to meet the expected needs of vaccines for the current fiscal year; and 3) increases personnel costs by \$716,300 ongoing to align the appropriation with estimated expenditures.

The bill provides for a \$530,300 ongoing increase of personnel costs for the Service Integration Program from federal funds. This increase is also related to a realignment of TANF purposes.

The bill provides for a \$2,263,400 one-time increase of personnel costs for the Self-Reliance Operations Program. This increase is a result of the department receiving an enhanced match rate of 75% from the federal government for individuals that determine Medicaid eligibility. As defined in H327 of the 2013 Session, it is the intent of the Legislature that any General Fund moneys saved as a result of this enhanced match are to be reverted back to the General Fund.

FISCAL NOTE

The bill increases the ongoing Department of Health and Welfare appropriation by \$1,274,700 and provides for an additional \$4,718,000 of one-time appropriation to be used in fiscal year 2014. The adjustments amount to a reduction of \$1,476,900 in the General Fund, an increase of \$13,424,800 in dedicated funds, and a reduction of \$5,955,200 in federal funds for a total increase of \$5,992,700 in all funds.

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